



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), pursuant to 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

DATES: Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by Regulation B, Regulation BB, or Regulation M, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the

instructions for submitting comments at

<http://www.federalreserve.gov/apps/foia/proposedregs.aspx> .

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board's web site at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room MP-500 of the Board's Martin Building (20th and C Streets, N.W.) between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer—Shagufta Ahmed --Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive

Office Building, Room 10235 725 17th Street, NW., Washington, DC 20503
or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at:

<http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Acting Clearance Officer —John Schmidt--
Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

Request for comment on information collection proposal

The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, along with an analysis of comments and

recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Proposal to approve under OMB delegated authority the extension for three years, with revision, of the following information collection:

Report title: Information Collection Associated with the Recordkeeping and Disclosure Requirements of Regulation B (Equal Credit Opportunity Act (ECOA)).

Agency form number: Regulation B.

OMB control number: 7100-0201.

Frequency: Event-generated.

Reporters: State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act.

Estimated annual reporting hours: Notifications: 76,536 hours; Furnishing of credit information: 31,890 hours; Record retention, applications, actions, and prescreened solicitations: 8,504 hours; Information for monitoring purposes: 3,189 hours; Rules on providing appraisal reports, providing appraisal reports: 38,268 hours; Self-testing record retention, incentives, 400 hours and self-correction, 400 hours; Rules concerning requests for information, disclosure for optional self-test: 8,400 hours.

Estimated average hours per response: Notifications: 6 hours; Furnishing of credit information: 2.5 hours; Record retention, applications, actions, and prescreened solicitations: 8 hours; Information for monitoring purposes: 15 minutes; Rules on providing appraisal reports, providing appraisal reports: 3 hours; Self-testing record retention, incentives, 2 hours and self-correction, 8 hours ; Rules concerning requests for information, disclosure for optional self-test: 3.5 hours.

Number of respondents: 1,063.

General description of report: This information collection is authorized by 15 U.S.C. § 1691b, which authorizes the Consumer Financial Protection Bureau (CFPB) to prescribe regulations to carry out the purposes of ECOA. An institution's recordkeeping and disclosure obligations under Regulation B are mandatory. The Federal Reserve does not collect any information; therefore, no issue of confidentiality normally arises.

Abstract: ECOA was enacted in 1974 and is implemented by Regulation B. ECOA prohibits discrimination in any aspect of a credit transaction because of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to contract), or other specified bases (receipt of public assistance, or the fact that the applicant has in good faith exercised any right under the Consumer Credit Protection Act (15 USC 1600 *et seq.*)). To aid in implementation of this prohibition, the statute and regulation subject creditors to various mandatory disclosure requirements, notification provisions informing applicants of action taken on the credit application, credit history reporting, monitoring rules, and recordkeeping requirements. These requirements are triggered by specific events and disclosures must be provided within the time periods established by the statute and regulation. There are no required reporting forms associated with the CFPB's

Regulation B. To ease the burden and cost of compliance (particularly for small entities), Regulation B provides model disclosure forms.

Current Actions: On December 21, 2011, the CFPB published an interim final rule establishing a new Regulation B, which did not impose any new substantive obligations on regulated persons or entities.¹ On January 31, 2013, the CFPB published a final rule amending its Regulation B to require creditors to provide applicants with a copy of an appraisal or other written valuation developed in connection with certain mortgage transactions as matter of course, rather than only in response to an applicant's request as previously required under Regulation B.² The Board proposes to modify its information collection to reflect this new requirement, which became effective January 18, 2014.

**Revisions to the Information Collection Associated with Rules on
Providing Appraisal Reports (Section 1002.14)**

Previously, an applicant had a right to a copy of any appraisal report used in connection with an application for credit to be secured by a dwelling. Creditors could elect either to provide a copy of the appraisal report to all applicants for covered loans or provide the appraisal only upon request. Creditors who choose to provide the appraisal only upon request had to

¹ 76 FR 79441 (Dec. 21, 2011).

² 78 FR 7216 (Jan. 31, 2013).

notify all applicants for covered loans of their right to request a copy of the appraisal. The notice was not required to be in any particular format, but the regulation contained model language to ease compliance.

The CFPB recently amended Regulation B to now require creditors to provide to an applicant, as a matter of course, a copy of all appraisals and other written valuations developed in connection with an application for credit that is to be secured by a first lien on a dwelling within specified time periods. Applicants are permitted to waive the timing requirements for receipt of the appraisals and other written valuations, but in such cases the creditor must generally provide the copies to the applicant prior to consummation (if closed-end credit) or account opening (if open-end credit). Creditors must also notify applicants in writing within three business days of receiving an application that a copy of all appraisals and other written valuations developed in connection with applications for covered mortgage credit transactions will be provided to the applicant promptly. The notice of an applicant's right to receive a copy of appraisals is not required to be in any particular format, but the regulation contains model language to ease compliance.

Proposal to approve under OMB delegated authority the extension for three years, without revision, of the following information collections:

1. Report title: Information Collection Associated with the Recordkeeping, Reporting, and Disclosure Requirements of Regulation BB (Community Reinvestment Act (CRA)).

Agency form number: Regulation BB.

OMB control number: 7100-0197.

Frequency: Annually.

Reporters: State member banks (SMBs).

Estimated annual reporting hours: Recordkeeping requirement, small business and small farm loan register: 16,863 hours; Optional recordkeeping requirements, consumer loan data, 4,238 hours and other loan data, 275 hours; Reporting requirements, assessment area delineation, 164 hours; loan data: small business and small farm, 616 hours, community development, 1,066 hours, and HMDA out of MSA, 17,963 hours; Optional reporting requirements, data on lending by a consortium or third party, 153 hours; affiliate lending data, 152 hours; request for strategic plan approval, 275 hours; request for designation as a wholesale or limited purpose bank, 4 hours; Disclosure requirement, public file, 8,510 hours.

Estimated average hours per response: Recordkeeping requirement, small business and small farm loan register: 219 hours; Optional recordkeeping requirements, consumer loan data, 326 hours, and other loan data, 25 hours; Reporting requirements, assessment area delineation, 2 hours; loan data:

small business and small farm, 8 hours, community development, 13 hours, and HMDA out of MSA, 253 hours; Optional reporting requirements, data on lending by a consortium or third party, 17 hours; affiliate lending data, 38 hours; request for strategic plan approval, 275 hours; request for designation as a wholesale or limited purpose bank, 4 hours; Disclosure requirement, public file, 10 hours.

Number of respondents: Recordkeeping requirement, small business and small farm loan register, 77; Optional recordkeeping requirements, consumer loan data, 13, and other loan data, 11; Reporting requirements, assessment area delineation, 82; loan data: small business and small farm, 77, community development, 82, and HMDA out of MSA, 71; Optional reporting requirements, data on lending by a consortium or third party, 9; affiliate lending data, 4; request for strategic plan approval, 1; request for designation as a wholesale or limited purpose bank, 1; Disclosure requirement, public file, 851.

General description of report: This information collection is authorized by section 806 of the CRA, which permits the Board to issue regulations to carry out the purpose of CRA (12 U.S.C. 2905), Section 11 of the Federal Reserve Act (FRA), which permits the Board to require such statements as reports of SMBs as it deems necessary (12 U.S.C. 248(a)(1)), and section 9 of the FRA, which permits the Board to examine SMBs (12 U.S.C. 325).

The obligation to comply with the recordkeeping, reporting, and disclosure requirements of Regulation BB is generally mandatory and varies depending on whether the bank is a large bank. Other parts of the collection – specifically, the request for designation as a wholesale or limited purpose bank, the strategic plan, and the recordkeeping and reporting requirements associated with data regarding consumer loans and lending performance, affiliate lending data, data on lending by a consortium or a third party, are required to obtain a benefit. The data that are reported to the Federal Reserve are not considered confidential.

Abstract: CRA was enacted in 1977 and is implemented by Regulation BB. The CRA directs the federal banking agencies³ to evaluate financial institutions' records of helping to meet the credit needs of their entire communities, including low- and moderate-income areas consistent with the safe and sound operation of the institutions. The CRA is implemented through regulations issued by the federal banking agencies.⁴

In 1995, the federal banking agencies issued substantially identical regulations under CRA to reduce unnecessary compliance burden, promote

³ In addition to the Board, the federal banking agencies currently responsible for CRA rules are the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC).

⁴ The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 transferred from the Office of Thrift Supervision (OTS) all authorities (including rulemaking) relating to savings associations to the OCC and all authorities (including rulemaking) relating to savings and loan holding companies (SLHCs) to the Board on July 21, 2011.

consistency in CRA assessments, and encourage improved performance.⁵

As a result, the current recordkeeping, reporting, and disclosure requirements under Regulation BB depend in part on a bank's size, and are discussed more fully below in the description of information collection.

Under Regulation BB, large banks are defined as those with assets of \$1.202 billion or more for the past two consecutive year-ends; all other banks are considered small or intermediate.⁶ The banking agencies amend the definition of a small bank and an intermediate small bank in their CRA regulations each year when the asset thresholds are adjusted for inflation pursuant to Regulation BB, most recently in December 2013.⁷

Other than the information collections pursuant to the CRA, the Board has no information collection that supplies data regarding the community reinvestment activities of SMBs.

2. Report title: Information Collections Associated with the Recordkeeping and Disclosure requirements of Regulation M (Consumer Leasing).

Agency form number: Regulation M.

⁵ 60 FR 22156 (May 4, 1995).

⁶ Beginning January 1, 2014, banks and savings associations that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.202 billion are small banks or small savings associations. Small banks or small savings associations with assets of at least \$300 million as of December 31 of both of the prior two calendar years, and less than \$1.202 billion as of December 31 of either of the prior two calendar years, are intermediate small banks or intermediate small savings associations.

⁷ 78 FR 79283 (December 30, 2013).

OMB control number: 7100-0202.

Frequency: On occasion.

Reporters: Consumer lessors.

Estimated annual reporting hours: Disclosures: 33 hours; Advertising: 7 hours.

Estimated average hours per response: Disclosures: 2.08 hours; Advertising: 25 minutes.

Number of respondents: 4.

General description of report: This information collection is authorized by sections 105(a) and 187 of TILA (15 U.S.C. § 1604(a) and 1667f respectively, which authorize the Consumer Financial Protection Bureau (CFPB) to issue regulations to carry out the provisions of the Consumer Leasing Act (CLA). The CFPB's Regulation M, 12 C.F.R. Part 1013, implements these statutory provisions. An institution's recordkeeping and disclosure obligations under Regulation M are mandatory. Because the Federal Reserve does not collect any information pursuant to the CFPB's Regulation M, no issue of confidentiality normally arises. Furthermore, the lease information regarding individual leases with consumers is confidential between the institution and the consumer. In the event the Board were to retain regarding consumer leases during the course of an examination, the information regarding the consumer and the lease would be kept confidential

pursuant to section (b)(8) of the Freedom of Information Act (5 U.S.C. § 522 (b)(8)).

Abstract: The CLA and Regulation M are intended to provide consumers with meaningful disclosures about the costs and terms of leases for personal property. The disclosures enable consumers to compare the terms for a particular lease with those for other leases and, when appropriate, to compare lease terms with those for credit transactions. The CLA and Regulation M also contain rules about advertising consumer leases and limit the size of balloon payments in consumer lease transactions.

The CFPB's Regulation M applies to all types of lessors of personal property (except motor vehicle dealers excluded from the Bureau's authority under Dodd-Frank Act section 1029, which are covered by the Board's Regulation M⁸). The CLA and Regulation M require lessors to disclose to consumers uniformly the costs, liabilities, and terms of consumer lease transactions. Disclosures are provided to consumers before they enter into lease transactions and in advertisements that state the availability of consumer leases on particular terms. The regulation generally applies to consumer leases of personal property in which the contractual obligation does not exceed \$53,500 and has a term of more than four months. The CLA does not provide exemptions for small entities.

⁸ 12 U.S.C. 5519; 12 CFR part 213.

In April 2011, shortly before primary rule writing authority for the CLA transferred to the CFPB, the Board published a final rule that established a new dollar threshold for lease transactions subject to Regulation M, implementing an amendment to the CLA by the Dodd-Frank Act.⁹ This amendment increased the dollar threshold for lease contracts subject to the CLA and Regulation M from \$25,000 to \$50,000. The amendment also required that this threshold be adjusted annually for inflation by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), as published by the Bureau of Labor Statistics. For 2014, the Regulation M threshold is \$53,500,¹⁰ which will be increased to \$54,600 effective January 1, 2015.¹¹

Board of Governors of the Federal Reserve System, January 21, 2015.

Robert deV. Frierson,
Secretary of the Board.

Billing Code 6210-01-P

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01/28/2015]

⁹ Pub. L. 111-203, § 1100E, 124 Stat. 1376 (2010), amending 15 U.S.C. 1667(1). See 76 FR 18349, Apr. 4, 2011.

¹⁰ 78 FR 70193 (Nov. 25, 2013). This threshold adjustment was issued jointly by the Board, for its Regulation M at 12 CFR part 213, and the CFPB, for its Regulation M at 12 CFR 1013.

¹¹ 79 FR 56482 (Sept. 22, 2014).